AAFP
AMERICAN ACADEMY OF FAMILY PHYSICIANS

Statement of the

American Academy of Family Physicians

Submitted for the Record to the

U.S. House Committee on Small Business

Hearing: "The Doctor is Out. Rising Student Loan Debt and the Decline of the Small Medical Practice"

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The American Academy of Family Physicians (AAFP), which represents 134,600 physicians and medical students nationwide, is grateful for this opportunity to submit a statement for the record to the House Committee on Small Business on the impact of medical student debt on small medical practices and the choice of family medicine as a specialty.

Family physicians conduct approximately one in five of the total medical office visits in the United States per year—more than any other specialty. They deliver care in more than 90 percent of U.S. counties—in frontier, rural, suburban and urban areas. They practice in a variety of professional arrangements, including privately owned solo practices as well as large multi-specialty integrated systems and public health agencies.

Family physicians provide comprehensive, evidence-based, and cost-effective primary care dedicated to improving the health of patients, families, and communities. Family medicine's cornerstone is an ongoing and personal patient-physician relationship where the family physician serves as the hub of each patient's integrated care team. More Americans depend on family physicians than on any other medical specialty.

In recognition of the importance of family physicians to patients across America, the AAFP promotes the expansion of the workforce needed to ensure that all Americans have access to a primary care medical homes. Consequently, because the debt incurred by pursuing medical training (including undergraduate medical school and residency) serves as a barrier to choosing family medicine, the AAFP supports efforts that assist in reducing that debt burden. Medical student debt relief may be a significant contributing factor in family medicine career choice.

Medical Student Debt

With the median annual tuition for medical students now exceeding $32,000 at public medical schools and $50,000 at private institutions, rising educational costs and a resulting increase in student debt have emerged as significant barriers for primary care physicians entering the profession. Research[i] published in 2018 by the Association of American Medical Colleges (AAMC) indicated 75 percent of medical school students

graduate with debt and 32 percent enter medical school already carrying educational debt. The median medical school debt was reported at $200,000. Sixteen percent of 2018 medical school graduates carried more than $300,000 in educational debt.

Student Debt Impact on Specialty and Practice

Student debt is a major concern among medical students when determining a medical specialty and type of practice. According to a recent article[ii] from the *Journal of the American Board of Family Medicine*, "We now have good evidence that debt influences at least some medical students to choose high-income specialties rather than primary care careers. Students with more debt weigh their income potential more heavily when making career plans, and they are more likely to switch their preference for a primary care career to a high-income specialty career over the course of medical school. In a large, retrospective study of 136,232 physicians, those who had graduated from public schools with more than $100,000 of debt (2010 dollars) were less likely to practice family medicine." The same article[iii] noted the findings of a qualitative study that students described their debt as making them "feel more cynical, less altruistic, and entitled to a high income. High debt has also been correlated with callousness, stress, suicidal thoughts, failing medical licensing exams, and leaving or being dismissed from medical school."

Indeed, a number of survey studies demonstrate that students who choose family medicine value income and "lifestyle" less than their peers. In choosing to become family physicians, they "viewed this as a career that offered economic security, even if it would not support extravagant luxury. But evidence is emerging that some students with high debt do not think of family medicine as a feasible choice for them. High-income specialization is viewed as the financially secure career path."[iv]

An analysis of the relationship between student debt and primary care practice published in the *Annals of Family Medicine* concluded that "(h)igh educational debt deters graduates of public medical schools from choosing primary care, but does not appear to influence private school graduates in the same way. Students from relatively lower

income families are more strongly influenced by debt. Reducing debt of selected medical students may be effective in promoting a larger primary care physician workforce."[v]
A study[vi] by the Robert Graham Center funded by the Josiah Macy, Jr. Foundation showed specialty income at graduation had a greater influence on a graduate's decision to choose family medicine versus debt at graduation. Researchers found the income gap was a significant factor in students' eventual practice location and specialty. "Medical Group Management Association data on physician income show that the income gap has grown steadily since 1979 such that the difference between diagnostic radiology or orthopedic surgery and primary care was $250,000 in 2005. This gap reduced the odds of students' choice of primary care or family medicine by nearly half. It reduced the odds of working in an FQHC or RHC by 30%, and of practicing in a rural area by almost 20%. The association between this income gap and most of these outcomes is stronger than debt at graduation."[vii]

Primary Care Physician Shortage

Due to the economic burden of medical school, the American health care system will see a shortage of primary care physicians. According to an Association of American Medical Colleges report,[viii] "We continue to project that physician demand will grow faster than supply, leading to a projected total physician shortfall of between 46,900 and 121,900 physicians by 2032, including a primary care physician shortage of 21,000 to 55,200 physicians and a non-primary care specialty shortage of 24,800 to 65,800 physicians (which includes a 14,300 to 23,400 shortfall of surgical specialties in 2032)."

In addition to physician shortages, rural areas may be more greatly affected. Currently, AAFP member census data[ix] shows that 71 percent of our members are employed, and that 17 percent of our members work in rural areas. According to a recent survey[x] published by Merritt Hawkins, "more than 90 percent of new physicians said they would rather be employed than on their own in an independent practice." The survey found that among those seeking employment, 43 percent would prefer to work with a hospital. However, the survey also found that only two percent of final-year medical residents said they want to work as a solo practitioner. The survey also found that in towns of 10,000 people or fewer, only 1 percent of medical residents expressed an interest in

establishing a practice there, while 2 percent of residents expressed a desire to practice in towns with 25,000 people or fewer. The majority of new physicians, 65 percent, said they prefer to practice in cities with 250,000 or more people. According to the survey, international medical graduates appeared to be more amenable to practicing in rural areas than U.S. medical school graduates.

To meet this challenge, the AAFP has called for expanded funding for federal loan and scholarship programs that target family medicine and primary care. We also support the deferment of interest and principal payments on medical student loans until after completion of postgraduate training as proposed in the *Resident Education Deferred Interest Act* (HR 1554). We further recommend the interest on medical student loans be deductible on federal tax returns regardless of income.

The AAFP also continues to support the National Health Service Corps (NHSC), which offers scholarships or loan repayment as incentives for physicians to enter primary care settings that serve Americans in rural and underserved areas. By addressing medical school debt burdens, the NHSC helps ensure wider access to both health care and medical education opportunities.

To help support the education and training of more medical students choosing family medicine and supporting them in practice in a variety of settings following residency training, the AAFP calls for expanded funding for federal loan programs targeted to support family medicine and primary care, allowing the deferment of interest and principal payments on medical student loans until after completion of postgraduate training, and allowing the tax-deductibility of interest on principal payment for such loans. The AAFP recommends the development of innovative programs that promote direct and indirect medical training debt relief for family medicine and primary care.

The AAFP appreciates the Committee’s interest in the impact that medical student debt is having on our nation’s family physician workforce. We look forward to working with you in support of policy initiatives that will help pave the way for building a strong family physician workforce.

[i] AAMC Analysis in Brief. Vol 18, No 4-September 2018.
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[iii] Ibid.
[iv] Ibid.
[v] Ann Fam Med November/December 2014 vol. 12 no. 6 542-549 http://www.annfammed.org/content/12/6/542.full
[vi] Specialty and Geographic Distribution of the Physician Workforce: What Influences Medical Student & Resident Choices? Robert Graham Center
https://www.graham-center.org/content/dam/rgc/documents/publications-reports/monographs-books/Specialty-geography-compressed.pdf
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[viii] https://aamc-black.global.ssl.fastly.net/production/media/filer_public/31/13/3113ee5c-a038-4c16-89af-294a69826650/2019_update_-_the_complexities_of_physician_supply_and_demand_-_projections_from_2017-2032.pdf
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